

FOREIGN POLICY BULLETIN

An analysis of current international events



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Myths Becloud Basic Issues in East-West Tensions

As the Paris conference of the Big Four foreign ministers' deputies enters its third week and General Douglas MacArthur in his Tokyo statement of March 23 proposes truce discussions between field commanders in Korea, one cannot but wonder how long relations between Communist and non-Communist countries will continue to be dominated by the myths each group has built up about the other.

Last Christmas General MacArthur spoke of Communist China's armies in terms so alarming as to throw the American people into a state of mind bordering on hysteria. At Easter he declares that "this new enemy, Red China, of such exaggerated and vaunted military power, lacks the industrial capacity to provide adequately many critical items essential to the conduct of modern war"—a fact which presumably was known to American experts on China's economy.

Until recently Americans were told by many commentators that if only Stalin disappeared and the Soviet system was destroyed, either as a result of military defeat or inner disintegration, Russia would adopt institutions more congenial to the United States. Now George F. Kennan, former head of the State Department Policy Planning Committee and a leading proponent of the policy of containment, writes in the April *Foreign Affairs* that it is vain to expect under any circumstances the emergence in Russia of a regime capitalist in its economy and liberal-democratic in its politics. If this round of second thought about China and Russia is even approximately accurate, how much time, effort and emotion have been wasted in trying to make American policy conform

to what now appears to be a set of myths?

A challenging volume could be written about the misconceptions Russia and the United States nurture about each other, often in defiance of easily observable facts. Available space permits only a brief listing of the most obvious among these misconceptions.

Moscow's Misconceptions

The Soviet leaders believe, or claim to believe, the following about the United States:

1. The American economy is an exact replica of the harsh, ill-adjusted economy which was characteristic of the early stages of the Industrial Revolution in Europe and was described by Karl Marx and Friedrich Engels in *The Communist Manifesto*, published in 1848. The fact that Eastern Europe, the Balkans and Russia were belatedly going through the throes of industrial revolution in 1917, when Lenin, Trotsky and Stalin came to power, seemed to confirm the Soviet misconception of capitalism. This theory has been uncritically applied to the United States ever since.

The most effective way for Americans to dispel this misconception is to give the rest of the world an accurate picture of the transformation undergone by the economy of this country in the twentieth century. In our relations with less developed areas it is also necessary to practice unremittingly—as Nelson Rockefeller, for example, has done in Latin America—the ideals we advocate concerning relations between employers and workers.

2. The American economy will not survive the strains and stresses of current readjustments, notably the burdens imposed

by rearmament, and will either suffer a catastrophic depression or be forced to seek relief in "imperialist" wars. This concept is so firmly fixed in Soviet doctrine that at the present time it appears impossible for the Politburo leaders to credit statements such as that recently made by Ben Moreell, president of Jones and Laughlin Steel Corporation, that the United States "will now achieve the greatest era of expanded well-being in its history." The most effective way to challenge Moscow's dire predictions on this score is to maintain here a sound economy by courageously fighting inflation and other recognizable threats to stability. Another corollary is to avoid all temptation to resort either to "preventive" war or to domination of the economies of other countries.

3. The "internal contradictions" of the American system will lead to mounting repressions that will eventually culminate in the creation here of a Fascist society. The most effective way to combat this prediction is by exercising utmost vigilance in detecting and drastically curbing the activities of criminals that undermine democracy, as is now urged by the Kefauver committee, and by courageously safeguarding human liberties in every sector of national life.

4. The "internal contradictions" of the American system will lead the United States to commit acts of aggression—specifically to wage war on Russia and other Communist-ruled countries. The most effective way to dispel this misconception is to emphasize without surcease, as General Dwight D. Eisenhower is doing in Europe, that North Atlantic armament is designed to avert war, not to precipitate it.

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It is also necessary to place American forces, as in the case of Korea, under the sponsorship of the United Nations and to keep an open mind here about what we might regard as the legitimate security and other needs of countries now ruled by Communist governments.

American Misconceptions

Many Americans believe, or are led to believe, the following about Russia:

1. If it were not for the Soviet leaders, Russia could easily be a replica of the United States. The same conviction that it is easy for other peoples to be like us, no matter how different their conditions, colors American thinking about China, India, Latin America and other relatively underdeveloped areas. A corollary of this concept is that if only the machinery of free elections could be introduced, Russia and other countries of comparable experience would without further ado follow the example of the United States. The most effective way to dispel this misconception, which has done much to distort American foreign policy during the past 30 years, is to urge all policy-makers and their critics to undertake a brief study of comparative history.

2. Western European capitalism is exactly like that of the United States, and such dissatisfaction as exists among workers is due solely to the machinations of Soviet leaders. This is the misconception on which the United States is perhaps most vulnerable to thrusts by the Kremlin. As thoughtful American business leaders have discovered, Western European industrialists and bankers, for the most part, lack both the risk-mindedness and the sense of social responsibility of American free enterprise. Their attitude toward the workers and their predilection for monopolies and

cartels leave them wide open to criticism by Socialists as well as by non-Marxists, including devout Catholics. The reluctance of European business leaders to give workers a stake in rising productivity through higher wages and/or lowered prices on consumers' goods has brought sharp attacks by American labor leaders familiar with European conditions and has alarmed officials of the Economic Cooperation Administration, who realize that the benefits of the Marshall plan are often not being equitably passed along to the workers.

3. The Russian economy is so powerful that it would make the U.S.S.R. invincible in a showdown with the West unless the United States transforms itself into a garrison state. Or conversely, it is said sometimes in the same breath, the Russian economy is so backward and vulnerable that it can make no appeal to other underdeveloped countries unless it is forced on them at the point of Russian bayonets. Comparisons between the economy of the United States, the most advanced industrial nation in the world, and that of the U.S.S.R., which in 1917 was approximately at the stage of development of Britain in the 1820's, may offer an interesting intellectual exercise but are no more revealing than comparisons of the economies, say, of Britain and India. Russia is neither as strong nor as weak as some of its admirers and detractors would have us assume. However, the fact that Russia lags and will continue to lag behind the United States does not prevent it from making a strong appeal to countries whose economies are still less developed and which are today inspired by a strong feeling of nationalism—for example, China or Iran.

The United States can use a powerful propaganda weapon by demonstrating to

the rest of the world that Russia is not a workers' paradise — as claimed by the Kremlin—that trade unions are dominated by the government, that forced labor is used to punish not only criminals, but also political opponents and workers accused of sabotage or other offenses against the economic system, and that life remains hard in spite of vast industrialization efforts. Even more powerful, however, in its effect on less developed countries would be a large-scale demonstration that under-democratic conditions factory workers in, let us say, India could hope to rise above the near-starvation level at which they subsist today in industrial cities like Bombay and Calcutta.

4. Repression of free thought, government domination of labor unions, intimidation of neighboring countries, are characteristic today only of antireligious, materialistic communism and would disappear with the demise of the Kremlin. Without dwelling on past history—for even the recent examples of Germany and Japan have already been overlaid by earnest attempts to believe that the United States has reformed the Germans and Japanese—Peron's Argentina and Franco's Spain contradict this misconception.

It would be naive to assume that the mythology developed by the Soviet leaders about the United States and by many Americans about the U.S.S.R. can be destroyed overnight. If, however, both sides should genuinely be interested in arriving at some form of "co-existence," what would be the minimum conditions which each might expect the other to fulfill—and to what extent could such conditions be fulfilled in reality?

VERA MICHELES DEAN

(The first of two articles.)

Will Schuman Accord Strengthen Europe's Economy?

Somewhat over ten months after the Schuman plan was formulated—during which world attention was distracted by the Korean war—representatives of six Western European nations on March 19 initiated a draft treaty to give legal effect to the plan. This occasion brought expressions of optimism in Europe and the United States. The hope generated by the Schuman plan accord is in sharp contrast to the concern felt by government leaders in Europe over the domestic economic difficulties confronting their nations.

In Britain the continuation of an inadequate meat ration, combined with the re-emergence of an imbalance in trading ac-

counts, has shaken the position of the Labor party. Official acknowledgement in Paris on March 22 that the cost of living had risen 12.5 per cent since last August served to explain the widespread support received by the French Communists in their attempt to precipitate a general strike in the wake of strikes on the national railways and the Paris transit system. A cabinet offer to increase minimum wages for workers in private industry by amounts up to 15.6 per cent was labeled inadequate by the Socialist and the Catholic, as well as the Communist, labor federations. The exhaustion by Germany of its \$500 million trade credit in the European Payments

Union has had a disturbing effect on efforts to revive and expand intra-European trade. The recent—and sudden—decision of the Adenauer government to deliberalize trade has had especially unfavorable repercussions in Holland, which had hitherto depended on Germany as a market for agricultural produce. Belgium continues to be plagued by high and still rising industrial costs. Italian standards of living remain well below those of neighbors in Western Europe.

Pre-Korean Outlook

The first reaction of German industrialists to the Schuman plan proposal of May

9 was on the whole favorable. The FOREIGN POLICY BULLETIN of June 30, 1950 pointed out that "the plan would represent an important step forward in the German drive for political and economic influence." The London *Economist* of March 10, 1951 said "the German industrialists saw in the plan a way of getting new markets at a time when surpluses of coal and steel seemed likely [and] a way of shaking off the control of the Ruhr authority and taking an equal place in Europe's counsels." In France, too, there was general support for the plan. Despite some caviling by both labor and capital, the French were behind M. Jean Monnet, architect of the plan, throughout the protracted negotiations. The French were eager to prevent an uncontrolled expansion of German heavy industry, and French steel producers need German coal far more than Germany requires Lorraine iron ore.

Britain remained aloof from the Schuman plan, fearing that it might be forced to accept decisions which would be inconsistent with the needs and aims of its planned economy. The United States supported the Schuman proposal—as it has supported every attempt to increase output and expand trade in Western Europe. Italy, Belgium, the Netherlands and Luxembourg favored the proposed coal and steel pool from the outset.

War in Asia

West Germany's attitude toward the Schuman proposal changed sharply as a result of the first crossing of the 38th Parallel in Korea. The decision of the West to rearm and mobilize for defense removed the principal German incentive to support the plan—while the possibility of German rearmament caused the French to regard the plan as more urgent than ever. Today, no steel surplus is expected in Europe, and the demand for lifting controls on Germany's steel industry does not emanate from Bonn alone. The Germans feel confident that they will have an im-

portant place in Europe's councils as a result of their willingness to help defend the continent against the U.S.S.R. Consequently, as the negotiations continued, they demanded increasingly favorable treatment.

The agreement reached on March 19 represents an attempt to reconcile French eagerness for a coal-steel pool with German reluctance. The draft treaty will not become law until after a meeting of the foreign ministers of the signatory nations—probably in May—and until its ratification by the several parliaments. It does, however, represent a new development in European economic relations.

A High Authority is to be set up to take charge of the single market coal-steel region within which all members are to have equal access to raw materials and where it is intended, eventually, to have producing centers located in the areas best equipped for efficient and low-cost operation. The members of the Authority—their exact number has not yet been determined—would serve for six years. They are to operate by making recommendations as well as binding decisions. It will have the power to regulate prices, to borrow and lend money for a coordinated program of industrial expansion and development, to pass on the permissibility of trade agreements designed to limit competition as well as of proposed mergers, and to enforce the treaty decision to fine employers who pay abnormally low wages.

Alongside of the High Authority there would be four other agencies acting to guide it and check it in its work. A consultative committee of 30 members, chosen by the European Council of Ministers, would have an equal number of employer, consumer and worker representatives. In certain cases the High Authority must consult this group, although it is not clear if the latter would have more than purely advisory functions. An Assembly chosen from among the members of the parliaments of participating nations would be

set up. In reviewing the work of the High Authority once a year this Assembly will be able to compel members of the Authority to resign by passing a two-thirds vote of censure.

A third group would be a council composed of one representative from each national cabinet. This group would have both advisory and executive functions and would attempt to prevent divergences between the policies of the High Authority and the domestic economic and political aims of the member governments. Finally, a Court of Justice is to be established. The Court will consider appeals from decisions of the High Authority and will decide when that body erred by exceeding its power or violating the treaty.

It would be a mistake to assume that all substantive difficulties have been settled by the March 19 agreement. The future of the German Coal Sales Agency remains in doubt. The French want the agency liquidated because they fear the Germans may not share the coal with them and may choose, instead, to aggravate the present crisis arising from the short supply and high price of coal in Europe. The degree of decentralization of German industry as well as the future of horizontal and vertical industrial combines in the Ruhr has not been settled. It is also uncertain whether the British will merely continue their past policy of aloofness toward the plan or will—as was reported in *The New York Times*—take definite steps to block implementation.

Despite all these difficulties—none of which are new—substantial international agreement on a significant economic problem was achieved by the initialing of the draft treaty. There has never been any doubt that a vital element in increasing the strength of the non-Communist world was the strengthening of free economic ties between the nations of Western Europe—and the Schuman plan is a step in that direction.

HOWARD C. GARY

Cranston Sees World Law As Only Hope for Real Peace

In the past 3,000 years there have been only 227 years of peace on earth. There hasn't been a single year of total peace since 1861. During all this time nations have sought peace and security through alliances and arms.

Today the United States seeks peace and security through alliances and arms.

Will Armaments Save Us?

Until February 12, when Senator Ralph

E. Flanders, Republican of Vermont, proposed world-wide disarmament under the control of the United Nations, the principal participants in the "great debate" did not challenge the effectiveness of this policy. They differed only over how many alliances we should have, and with whom; and how many men under arms, and where.

This is not to imply that the differences between the Truman-Dewey position and the Hoover-Kennedy position are not rele-

vant to immediate survival. It is to imply that neither position offers salvation from ultimate catastrophe.

If there was reason to believe that our participation in one more great holocaust would produce a new birth of freedom and peace, the present course might be endurable. But there is no evidence to substantiate such a belief.

The people of the United States have engaged in two world wars in the short

space of a generation—and now face the prospect of a third—for the sake of peace and liberty. And now they have less reason than hitherto for hope that military victory would put an end to war and tyranny. For the latest foe, communism, thrives on war. In World War I it found its first home in the Soviet Union. In World War II it spread across all of Eastern Europe and, in the chaotic peace thereafter, across vast China.

In World War III, if we let it come, we might succeed in destroying the entire Soviet structure and yet totally and abysmally fail to destroy communism. Like all ideas, communism is indestructible by any military weapon. Like few ideas, communism flourishes in the chaos, misery and cynicism produced by war.

There are advantages for communism even in conditions *preceding* actual use of modern weapons. Generals Marshall and Eisenhower warn us that we may continue on a war footing for the rest of our lives, but are we certain that our civil liberties and our competitive economy can forever survive the sweeping controls and the mounting taxes which now face us? Lenin thought not: "We shall force the United States to spend itself into destruction," he prophesied.

I do not state all this as a prelude to a demand that the United States abandon its alliances and armaments. I am in accord with the Truman-Dewey position. But I believe the preparedness program alone is not adequate to the defense of the United States.

Double-Barreled Policy Needed

I am one of that growing group that advocates a double-barreled policy: reliance for the moment upon alliances and arms but meanwhile pursuit of the one plan for peace that can get us out of the power struggle before it consumes us.

I therefore support a resolution (H.C.R. 54) introduced in the Congress on February 22 by Congressman Brooks Hays (D., Ark.) and Walter Judd (R., Minn.). It proposes that "it be a fundamental objective of the foreign policy of the United States to support and strengthen the United Nations and to seek its development into an organization of such de-

fined and limited powers as are essential to the enactment, interpretation and enforcement of world law to prevent aggression and maintain peace."

This resolution is not an idle gesture. Its sponsors expect early action on it. A resolution embodying the same principle was introduced in the 81st Congress by 115 Representatives and 21 Senators—the largest group ever to sponsor a foreign policy resolution in the history of our Republic.

As its contribution to the "great debate," the Foreign Policy Association has invited distinguished leaders of differing opinions to present their views on the course the United States should follow in world affairs. The tenth article in the series appears in the adjoining columns.

Its supporters do not advocate the transformation of the United Nations into an all-powerful superstate able to dominate our everyday lives and to dictate the form of our political, social, religious and educational institutions. They simply insist that the United Nations be given the power of law to the degree necessary to enforce disarmament and thus prevent war, before war and preparation for it destroy all that we hold dear.

Nor do those who advocate world law today in the necessary but limited field of armament control expect its achievement tomorrow. But they see vast strength in the pursuit of this purpose—immediate strength for the non-Soviet world in the present struggle. An American declaration for United Nations law—even if the goal is not at once attainable—would put constant pressure upon our adversaries if they refused this decent and honorable invitation for world peace. It would embarrass the Soviet regime within the borders of Russia, for the offer could not be kept secret from the Russian people. It would provide, in the satellite nations, a new *raison d'être* for Titoism.

It would rally to our cause the millions now desperately seeking neutrality. It would give hope to the hopeless, and purpose to the purposeless. It would crown

America with the moral and political leadership of the world.

The Communists recognize these facts. They accuse the advocates of enforceable world law of "seeking to disarm the Soviet Union ideologically."

The pursuit of this principle would draw a line between those who build power for power and those who build power for peace. Unless the defense program is supported by this high purpose, it may well fail to ignite the world's will to resist Communist aggression. It may fail to hold our alliances together in Europe, fail to restore our leadership in Asia, fail to provide at home any sense of stability in the present or confidence in the future.

Thus the pursuit of world law is quite possibly the missing link in a defense program vital to our immediate survival, while the achievement of world law is plainly the only hope for our lasting security.

ALAN CRANSTON

(Mr. Cranston is president of United World Federalists, Inc.)

Branch and Affiliate Meetings

ALBANY, April 2, *The Search for Peace*, Joseph E. Johnson.

LYNN, April 2, *The United States Invests in Democracy*, Howard C. Gary.

PHILADELPHIA, April 3, *What Are the U.S. Stakes in Europe?* Johannes U. Hoeber, Marshall Dill, Jr.

DETROIT, April 4, *Where Is Our Foreign Policy Leading Us in the Far East?* Robert E. Ward.

BOSTON, April 5, *Can the Moral Forces of the World Unite?* Rev. Dana McLean Greeley, Rev. Theodore P. Theodoridis.

DETROIT, April 5, *The World's Natural Resources and Population Pressures*, Stanley Cain.

PHILADELPHIA, April 5, *Is There Any Chance for a Peaceful Settlement With Russia?* Robert Fowell, III.

BUFFALO, April 7, Model UN Assembly.

NEW YORK, April 7, Student Forum.

PHILADELPHIA, April 9, *U.S.: Democracy's Future*, Morris Wolf, David Heaps; *Is America Winning the Battle for Men's Minds?* Frances R. Fussell, Michael Harris; *Russian Aims and Our Chances for Peace*, Jeanne Singer, John Likacs.

BETHLEHEM, April 10, *The Philippines Emerge*, Maria Osmena.

COLUMBUS, April 10, *Yugoslavia*, Alexander Drag-nick.

PHILADELPHIA, April 10, *Is America's Voice Being Heard and Understood?* Hertha Kraus, Emily Ehle.

DETROIT, April 11, *Where Is Our Foreign Policy Leading Us in Europe?* Marshall Knappen.

PHILADELPHIA, April 12, *The UN Today and Its Future*, Crystal Bird Fauset, Arthur Cook.

BUFFALO, April 14, *The Next Phase in U.S. Foreign Policy*, Vera M. Dean.

SPRINGFIELD, April 14, *Workshop on International Conciliation*, Sir Alfred Zimmern, Hollis Peter.

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